

## HOUSE BILL NO. 247

INTRODUCED BY D. LEWIS, COCCHIARELLA, COLE, CRISMORE, EKEGREN, FISHER, G. FORRESTER,  
FUCHS, KITZENBERG, LINDEEN, MATTHEWS, MCNUTT, D. MOOD, SHEA, STEINBEISSER,  
WANZENRIED

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE FEE IN LIEU OF TAX ON HEAVY VEHICLES BY  
50 PERCENT OVER A ~~3-YEAR~~ DESIGNATED PERIOD; PROVIDING A REIMBURSEMENT TO LOCAL  
GOVERNMENTS FOR LOSS OF REVENUE; PROVIDING A STATUTORY APPROPRIATION; AMENDING  
SECTIONS 17-7-502 AND 61-3-529, MCA; AND PROVIDING EFFECTIVE DATES AND TERMINATION  
DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 17-7-502, MCA, is amended to read:

**"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply  
with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a  
statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 3-5-901;  
5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; [section 5]; 15-23-706;  
15-31-702; 15-34-115; 15-35-108; 15-36-324; 15-37-117; 15-38-202; 15-65-121; 15-70-101;  
16-1-404; 16-1-406; 16-1-411; 17-3-106; 17-3-212; 17-3-222; 17-6-101; 17-7-304; 18-11-112;  
19-3-319; 19-6-709; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604;  
20-8-107; 20-26-1503; 22-3-1004; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;  
23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102; 50-4-623;  
53-6-703; 53-24-206; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-1-505; 80-2-222;

1 80-4-416; 80-11-518; 81-5-111; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and 90-9-306.

2 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
 3 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
 4 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
 5 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
 6 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
 7 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
 8 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
 9 supplemental benefit; pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1,  
 10 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of  
 11 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability  
 12 is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1,  
 13 2014; and pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, the inclusion of 15-35-108 and 90-6-710  
 14 terminates June 30, 2005.)"

15

16 **Section 2.** Section 61-3-529, MCA, is amended to read:

17 **"61-3-529. Schedule of fees for buses, motor vehicles having rated capacity of more than 1 ton,**  
 18 **and truck tractors -- proration -- exemption.** (1) (a) There is a fee in lieu of property tax imposed on buses,  
 19 trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in addition  
 20 to annual registration fees.

21 (b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks,  
 22 or truck tractors that constitute inventory of the dealership.

23 (2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's  
 24 rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and  
 25 manufacturer's rated capacity of the vehicle according to the following schedule:

Age of Vehicle	Rated Capacity (in pounds)			
(in years)	16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
1 or less	<del>\$234</del> <u>\$195</u>	<del>\$334</del> <u>\$278</u>	<del>\$568</del> <u>\$473</u>	<del>\$750</del> <u>\$625</u>
2	<del>218</del> <u>182</u>	<del>300</del> <u>250</u>	<del>500</del> <u>417</u>	<del>600</del> <u>500</u>
3	<del>200</del> <u>167</u>	<del>268</del> <u>223</u>	<del>440</del> <u>367</u>	<del>532</del> <u>443</u>

1	4	<del>184</del> <u>153</u>	<del>234</del> <u>195</u>	<del>368</del> <u>307</u>	<del>484</del> <u>403</u>
2	5	<del>166</del> <u>138</u>	<del>218</del> <u>182</u>	<del>320</del> <u>267</u>	<del>390</del> <u>325</u>
3	6	<del>150</del> <u>125</u>	<del>200</del> <u>167</u>	<del>268</del> <u>223</u>	<del>334</del> <u>278</u>
4	7	<del>132</del> <u>110</u>	<del>182</del> <u>152</u>	<del>234</del> <u>195</u>	<del>294</del> <u>245</u>
5	8	<del>116</del> <u>97</u>	<del>166</del> <u>138</u>	<del>200</del> <u>167</u>	<del>250</del> <u>208</u>
6	9	<del>100</del> <u>83</u>	<del>150</del> <u>125</u>	<del>184</del> <u>153</u>	<del>218</del> <u>182</u>
7	10	<del>82</del> <u>68</u>	<del>116</del> <u>97</u>	<del>158</del> <u>132</u>	<del>184</del> <u>153</u>
8	11-12	<del>66</del> <u>55</u>	<del>100</del> <u>83</u>	<del>134</del> <u>112</u>	<del>152</del> <u>125</u>
9	13-14	<del>56</del> <u>47</u>	<del>74</del> <u>62</u>	<del>104</del> <u>87</u>	<del>122</del> <u>102</u>
10	15-16	<del>50</del> <u>42</u>	<del>60</del> <u>50</u>	<del>76</del> <u>63</u>	<del>94</del> <u>78</u>
11	17-18	<del>36</del> <u>30</u>	<del>52</del> <u>43</u>	<del>58</del> <u>48</u>	<del>72</del> <u>60</u>
12	19-20	<del>26</del> <u>22</u>	<del>38</del> <u>32</u>	<del>44</del> <u>37</u>	<del>52</del> <u>43</u>
13	21 or more	<del>20</del> <u>17</u>	<del>24</del> <u>20</u>	<del>32</del> <u>27</u>	<del>40</del> <u>33</u>

14 (3) The age of the vehicle is determined by subtracting the manufacturer's model year of the  
 15 vehicle from the calendar year for which the fee in lieu of tax is due.

16 (4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity  
 17 of more than 1 ton is the manufacturer's rated gross vehicle weight.

18 (b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross  
 19 combined weight.

20 (5) A motor vehicle brought into the state or otherwise used for the exclusive purpose of filming  
 21 motion pictures or television commercials is exempt from the fee in lieu of tax if the vehicle does not  
 22 remain in the state for a period in excess of 180 consecutive days in a calendar year.

23 (6) Except as provided in 61-3-520, the fee in lieu of tax on a vehicle subject to this section that  
 24 is brought or driven into this state by a nonresident person for hire, compensation, or profit must be  
 25 prorated according to the ratio that the remaining number of months in the year bears to the total number  
 26 of months in the year.

27 (7) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for  
 28 the first time must be prorated as provided in subsection (6).

29 (b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for  
 30 a full year.

(8) The fee in lieu of tax may not be refunded."

**Section 3.** Section 61-3-529, MCA, is amended to read:

**"61-3-529. Schedule of fees for buses, motor vehicles having rated capacity of more than 1 ton, and truck tractors -- proration -- exemption.** (1) (a) There is a fee in lieu of property tax imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or truck tractors that constitute inventory of the dealership.

(2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and manufacturer's rated capacity of the vehicle according to the following schedule:

Age of Vehicle		Rated Capacity (in pounds)			
(in years)		16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
1 or less		<del>\$234</del> <u>\$156</u>	<del>\$334</del> <u>\$222</u>	<del>\$568</del> <u>\$378</u>	<del>\$750</del> <u>\$500</u>
2		<del>218</del> <u>146</u>	<del>300</del> <u>200</u>	<del>500</del> <u>334</u>	<del>600</del> <u>400</u>
3		<del>200</del> <u>134</u>	<del>268</del> <u>178</u>	<del>440</del> <u>294</u>	<del>532</del> <u>354</u>
4		<del>184</del> <u>122</u>	<del>234</del> <u>156</u>	<del>368</del> <u>246</u>	<del>484</del> <u>322</u>
5		<del>166</del> <u>110</u>	<del>218</del> <u>146</u>	<del>320</del> <u>214</u>	<del>390</del> <u>260</u>
6		<del>150</del> <u>100</u>	<del>200</del> <u>134</u>	<del>268</del> <u>178</u>	<del>334</del> <u>222</u>
7		<del>132</del> <u>88</u>	<del>182</del> <u>122</u>	<del>234</del> <u>156</u>	<del>294</del> <u>196</u>
8		<del>116</del> <u>78</u>	<del>166</del> <u>110</u>	<del>200</del> <u>134</u>	<del>250</del> <u>166</u>
9		<del>100</del> <u>66</u>	<del>150</del> <u>100</u>	<del>184</del> <u>122</u>	<del>218</del> <u>146</u>
10		<del>82</del> <u>54</u>	<del>116</del> <u>78</u>	<del>158</del> <u>106</u>	<del>184</del> <u>122</u>
11-12		<del>66</del> <u>44</u>	<del>100</del> <u>66</u>	<del>134</del> <u>90</u>	<del>152</del> <u>102</u>
13-14		<del>56</del> <u>38</u>	<del>74</del> <u>50</u>	<del>104</del> <u>70</u>	<del>122</del> <u>82</u>
15-16		<del>50</del> <u>34</u>	<del>60</del> <u>40</u>	<del>76</del> <u>50</u>	<del>94</del> <u>62</u>
17-18		<del>36</del> <u>24</u>	<del>52</del> <u>34</u>	<del>58</del> <u>38</u>	<del>72</del> <u>48</u>
19-20		<del>26</del> <u>18</u>	<del>38</del> <u>26</u>	<del>44</del> <u>30</u>	<del>52</del> <u>34</u>
21 or more		<del>20</del> <u>14</u>	<del>24</del> <u>16</u>	<del>32</del> <u>22</u>	<del>40</del> <u>26</u>

(3) The age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the fee in lieu of tax is due.

(4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity of more than 1 ton is the manufacturer's rated gross vehicle weight.

(b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross combined weight.

(5) A motor vehicle brought into the state or otherwise used for the exclusive purpose of filming motion pictures or television commercials is exempt from the fee in lieu of tax if the vehicle does not remain in the state for a period in excess of 180 consecutive days in a calendar year.

(6) Except as provided in 61-3-520, the fee in lieu of tax on a vehicle subject to this section that is brought or driven into this state by a nonresident person for hire, compensation, or profit must be prorated according to the ratio that the remaining number of months in the year bears to the total number of months in the year.

(7) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for the first time must be prorated as provided in subsection (6).

(b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for a full year.

(8) The fee in lieu of tax may not be refunded."

**Section 4.** Section 61-3-529, MCA, is amended to read:

**"61-3-529. Schedule of fees for buses, motor vehicles having rated capacity of more than 1 ton, and truck tractors -- proration -- exemption.** (1) (a) There is a fee in lieu of property tax imposed on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer of buses, trucks, or truck tractors that constitute inventory of the dealership.

(2) Subject to the conditions of subsection (4), the owner of a bus, truck with a manufacturer's rated capacity of more than 1 ton, or truck tractor shall pay a fee in lieu of tax based on the age and manufacturer's rated capacity of the vehicle according to the following schedule:

Age of Vehicle

Rated Capacity (in pounds)

(in years)	16,999 or less	17,000-26,999	27,000-54,999	55,000 or more
1 or less	<del>\$234</del> <u>\$117</u>	<del>\$334</del> <u>\$167</u>	<del>\$568</del> <u>\$284</u>	<del>\$750</del> <u>\$375</u>
2	<del>218</del> <u>109</u>	<del>300</del> <u>150</u>	<del>500</del> <u>250</u>	<del>600</del> <u>300</u>
3	<del>200</del> <u>100</u>	<del>268</del> <u>134</u>	<del>440</del> <u>220</u>	<del>532</del> <u>266</u>
4	<del>184</del> <u>92</u>	<del>234</del> <u>117</u>	<del>368</del> <u>184</u>	<del>484</del> <u>242</u>
5	<del>166</del> <u>83</u>	<del>218</del> <u>109</u>	<del>320</del> <u>160</u>	<del>390</del> <u>195</u>
6	<del>150</del> <u>75</u>	<del>200</del> <u>100</u>	<del>268</del> <u>134</u>	<del>334</del> <u>167</u>
7	<del>132</del> <u>66</u>	<del>182</del> <u>91</u>	<del>234</del> <u>117</u>	<del>294</del> <u>147</u>
8	<del>116</del> <u>58</u>	<del>166</del> <u>83</u>	<del>200</del> <u>100</u>	<del>250</del> <u>125</u>
9	<del>100</del> <u>50</u>	<del>150</del> <u>75</u>	<del>184</del> <u>92</u>	<del>218</del> <u>109</u>
10	<del>82</del> <u>41</u>	<del>116</del> <u>58</u>	<del>158</del> <u>79</u>	<del>184</del> <u>92</u>
11-12	<del>66</del> <u>33</u>	<del>100</del> <u>50</u>	<del>134</del> <u>67</u>	<del>152</del> <u>76</u>
13-14	<del>56</del> <u>28</u>	<del>74</del> <u>37</u>	<del>104</del> <u>52</u>	<del>122</del> <u>61</u>
15-16	<del>50</del> <u>25</u>	<del>60</del> <u>30</u>	<del>76</del> <u>38</u>	<del>94</del> <u>47</u>
17-18	<del>36</del> <u>18</u>	<del>52</del> <u>26</u>	<del>58</del> <u>29</u>	<del>72</del> <u>36</u>
19-20	<del>26</del> <u>13</u>	<del>38</del> <u>19</u>	<del>44</del> <u>22</u>	<del>52</del> <u>26</u>
21 or more	<del>20</del> <u>10</u>	<del>24</del> <u>12</u>	<del>32</del> <u>16</u>	<del>40</del> <u>20</u>

(3) The age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the fee in lieu of tax is due.

(4) (a) The manufacturer's rated capacity for a bus or truck with a manufacturer's rated capacity of more than 1 ton is the manufacturer's rated gross vehicle weight.

(b) The manufacturer's rated capacity for a truck tractor is the manufacturer's rated gross combined weight.

(5) A motor vehicle brought into the state or otherwise used for the exclusive purpose of filming motion pictures or television commercials is exempt from the fee in lieu of tax if the vehicle does not remain in the state for a period in excess of 180 consecutive days in a calendar year.

(6) Except as provided in 61-3-520, the fee in lieu of tax on a vehicle subject to this section that is brought or driven into this state by a nonresident person for hire, compensation, or profit must be prorated according to the ratio that the remaining number of months in the year bears to the total number of months in the year.

(7) (a) The fee in lieu of tax on a vehicle subject to this section that is registered in the state for the first time must be prorated as provided in subsection (6).

(b) The fee in lieu of tax on a vehicle subject to this section that is reregistered in the state is for a full year.

(8) The fee in lieu of tax may not be refunded."

NEW SECTION. Section 5. Reimbursement payment. (1) The department shall determine the amount of fee in lieu of property tax lost by each local government as a result of the amendments to 61-3-529 contained in [sections 2 through 4]. The department shall use calendar year 2002 as its base year for each determination.

(2) (a) The department shall determine the amount of revenue due each local government for calendar year 2002 from the fee in lieu of property tax imposed in 61-3-529.

(b) The department shall then calculate for each local government for calendar year 2002 the amount of revenue that would have been due from the fee in lieu of tax imposed in [section 2] if [section 2] had been in effect for calendar year 2002.

(3) (a) For fiscal year 2003, the amount of reimbursement is equal to ONE-HALF the difference between the amounts calculated under subsection (2).

(b) For fiscal year 2004, the reimbursement is ~~double~~ THREE TIMES the amount calculated in subsection (3)(a).

(c) For fiscal year 2005 ~~and for each succeeding fiscal year~~, the reimbursement is ~~triple~~ FIVE TIMES the amount calculated in subsection (3)(a).

(D) FOR FISCAL YEAR 2006 AND FOR EACH SUCCEEDING FISCAL YEAR, THE REIMBURSEMENT IS SIX TIMES THE AMOUNT CALCULATED IN SUBSECTION (3)(A).

(4) The department shall distribute the reimbursement payments to local governments on a ~~THE~~ FOLLOWING quarterly ~~basis-~~ SCHEDULE:

(A) FOR FISCAL 2003, THE QUARTERLY PAYMENTS WILL BE PAID ON OR BEFORE MARCH 31, 2003, AND JUNE 30, 2003.

(B) FOR FISCAL 2004, AND EACH SUCCEEDING FISCAL YEAR, THE QUARTERLY PAYMENTS WILL BE PAID ON OR BEFORE SEPTEMBER 30, DECEMBER 31, MARCH 31, AND JUNE 30 OF EACH YEAR.

(5) As used in this section, "local government" means a county, consolidated local government,

1 incorporated city, incorporated town, or school district.

2 (6) The local government reimbursements calculated in this section are statutorily appropriated,  
3 as provided in 17-7-502, from the general fund to the department for distribution to local governments.

4

5 NEW SECTION. **Section 6. Proration of fee.** The department of transportation shall prorate the  
6 new fee in lieu of tax in 61-3-529 for motor vehicles that are proportionally registered, as provided in  
7 61-3-721, and whose annual registration period does not coincide with the calendar year.

8

9 NEW SECTION. **Section 7. Codification instruction.** (1) [Section 5] is intended to be codified as  
10 an integral part of Title 15, chapter 1, part 1, and the provisions of Title 15, chapter 1, part 1, apply to  
11 [section 5].

12 (2) [Section 6] is intended to be codified as an integral part of Title 61, chapter 3, part 7, and the  
13 provisions of Title 61, chapter 3, part 7, apply to [section 6].

14

15 NEW SECTION. **Section 8. Effective dates.** (1) Except as provided in subsections (2) through (4),  
16 [this act] is effective January 1, 2002.

17 (2) [Section 2] is effective January 1, 2003.

18 (3) [Section 3] is effective January 1, 2004.

19 (4) [Section 4] is effective January 1, 2005.

20

21 NEW SECTION. **Section 9. Termination.** (1) [Section 2] terminates December 31, 2003.

22 (2) [Section 3] terminates December 31, 2004.

23

- END -